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West German Christian Democrats Divided on Foreign Policy

In contrast to the governing Social Democrats, who found themselves united on most issues at their special conference on foreign policy last weekend, the Christian Democrats are divided on questions related to foreign affairs.

Many Christian Democrats prefer to mute their attacks on Ostpolitik. Diehards on this issue, however, still influence party thinking. An unauthorized recent visit by party treasurer Walther Kiep with East German officials has created considerable controversy, dramatizing the lack of party unity on the general issue of detente.

The Christian Democrats also have to cope with the growing popularity and conservative views of Franz Josef Strauss, leader of the affiliate opposition party in Bavaria, the Christian Social Union. Strauss' successful visit to China this month capped a series of visits by leading Christian Democrats who have tried to illustrate how the Social Democrats have neglected Peking. His reputation as a hardliner towards the Soviets, however, is controversial in the Christian Democratic camp, always threatening to open the breach between moderates and conservatives on Ostpolitik.

Foreign policy issues are not likely to play as great a role as they did in the 1972 national elections, when former Chancellor Brandt strengthened his position on the basis of his success in Ostpolitik. The confusion and disunity among the Christian Democrats, nevertheless, contrasts with the at least surface cohesion among Social Democrats, and may complicate the efforts of the two opposition parties to select a common candidate to run against Schmidt in the next elections.

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Majority in Danish Parliament for EC Referendum

A majority in the Danish parliament favors a referendum on continued membership in the EC if the British referendum in June leads to London's withdrawal, according to a recent media poll.

Parties of the left and right, including the Social Democrats, Denmark's largest party, favor a referendum. These parties hold 110 of the 179 seats in parliament. The center parties, including Prime Minister Hartling's Moderate Liberals, are undecided. Hartling has said, however, that even without the UK, the advantages of continued Danish membership outweigh the disadvantages.

Hartling's future may be short lived. He faces stiff opposition next week when his budget proposals are introduced in parliament. The Prime Minister has said he will resign if his proposals are voted down. The Social Democrats, who would assume government leadership, would be more likely to introduce a referendum.

The true Danish sentiment on the EC issue is difficult to measure. Recent public opinion polls indicate that a majority of Danes oppose continued membership in the EC.

The referendum in 1972 which led to Danish entry into the EC was a hotly contested issue. Nearly two-thirds of the voters cast ballots for market entry, but not before the ruling Social Democrats were badly split and the Prime Minister had resigned.

EC membership remains a very emotional issue and the Danes blame the EC for all their economic ills. A referendum would probably have a sobering effect, however, and the outcome could be closer than the polls predict.

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British Changing Minds About CSCE

The British, who have been reluctant to offer concessions to the East at the European security conference in Geneva, now advocate compromise, and have suggested that the pace of work be accelerated in order to wind up the conference.

Delegates from EC countries have speculated that the British may be seeking to lay the groundwork for a successful visit by Prime Minister Wilson to Moscow next month.

During recent discussions among the EC-Nine, the British took the lead in suggesting that the current, negotiating stage of the security conference end around Easter time. Some of the Nine, particularly the West Germans, opposed setting a specific date.

The British suggestion would be welcomed in Moscow. The Soviets want the negotiations to be over this spring so that a summit finale to the conference can be held this summer.

The British have also taken the lead in proposing that NATO signal the Soviets that the West is willing to drop one of its demands concerning military-related "confidence-building measures." The West Europeans have been insisting that both sides agree to provide advance notice of major military movements.

The Soviets and their allies have strongly opposed this, and the British are now suggesting that the Allies attempt to obtain a Soviet concession on the separate issue of providing advance notification of military maneuvers.

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The British have also suggested that the West offer a compromise on the issue of follow-on machinery to the conference.

The West has supported a Danish proposal that calls for senior officials to meet three years after the conference ends. These officials would assess the results of the conference and the general state of relations among the participating states and decide whether further meetings might be needed.

The Soviets want the security conference to decide to set up a body that would in effect, permit Moscow to monitor and try to influence West European developments. At Moscow's behest, the Czechoslovaks have proposed creating a consultative committee that would have a broad mandate to promote security and cooperation in Europe. The committee also would have a permanent secretariat.

The British are suggesting that senior officials meet regularly to review the general East-West situation, with the first such meeting taking place one year after the security conference ends.



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The EC Faces Difficult Decisions on Agricultural Policy

Following difficult negotiations that were complicated by UK renegotiation demands, the EC agriculture ministers this week abandoned their February 1 deadline for introducing higher farm prices.

Different rates of inflation among the EC Nine--ranging from 6.5 percent in Germany to 20 percent in Italy--have made this year's round of price setting the most complicated in community history. West German Agriculture Minister Ertl has emphasized that this reflects the EC's failure to move toward greater economic and monetary union.

The central issues confronting the Nine are the amount farm prices will be increased and whether these increases will be uniform throughout the community. The EC Commission has recommended a 10 percent increase that would allow for national variations through differential changes in border taxes.

The Germans, with the support of the Benelux countries, are demanding a uniform price increase of less than 9 percent. The French, who have promised their farmers a 13.5 percent increase, are willing to consider a 10 percent community increase since they intend to supplement it with a 3.5 percent direct national subsidy to French farmers.

The Germans have strongly opposed nationally differentiated increases as detrimental to the EC's common agricultural policy, arguing that they would tend to preserve existing agricultural structures instead of adapting them to changing

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economic conditions. The Commission proposal, in fact, marks a radical breach in EC agricultural philosophy despite the fact that several countries, including France and Luxembourg, adopted national farm support measures last summer.

Last year the Germans agreed to a 5 percent increase in agricultural prices on the condition that this would be taken into account in this year's negotiations and that there would be no new national measures. At present, the German agriculture minister indicates that there is very little room for compromise.

French and German differences will be discussed by President Giscard d'Estaing and Chancellor Schmidt on February 3 and 4 when they meet in Paris. A French foreign ministry official predicts that the common agricultural policy will be the most contentious item on an agenda which includes energy and economic policies, security matters and the Euro-Arab dialogue.

The UK, whose farmers are demanding a 15 percent price increase, are using the talks as the main vehicle for pushing those renegotiation demands in the farm sector which are as yet unresolved. Britain is seeking to make beef deficiency payments to producers a permanent alternative to intervention price supports within the common agricultural policy.

Whenever beef falls below an "intervention" price level, the community now buys it with money from the EC farm fund and puts it into cold storage. The UK wants to lower the intervention price and allow individual EC members to make up the difference through direct national subsidies. This would decrease the costs of intervention as well as guarantee lower costs to beef consumers.

The Dutch, who want to protect their own poultry and pork markets, oppose any system which encourages beef consumption through lower EC prices. German Agricultural Minister Ertl

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believes the common agricultural policy is already too complicated, but would support the UK scheme as a temporary measure. The French oppose any changes, arguing that support premiums would benefit the middleman rather than the producer.

The EC has, meanwhile, attacked UK requests to lower the import levy for hard wheat, which is used to make bread. This demand is the first concrete expression of Prime Minister Wilson's declared aim of retaining access to the British market for low-cost non-European producers. UK requests regarding dairy producers and butter subsidies also face hard bargaining among the Nine.

Last week the Agriculture Ministers did reach agreement on two issues--wine and sugar. France and Italy were authorized to distill surplus wine in order to prop up falling prices.

The EC agreed to subsidize the import of 200,000 metric tons of sugar to cover supply shortages, especially in Italy and the UK. This decision improves the UK's bargaining position with the African, Caribbean and Pacific states, whose negotiations with the EC on a major trade and aid agreement are currently held up over the price the UK will agree to pay for their sugar imports.

The Council agreed to extend existing arrangements until new farm prices are decided upon. The Agriculture Ministers still hope to resolve the issues at their next meeting on February 10 and 11.

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